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India Bullion and Jewellers Associations Ltd. Since 1919

India Bullion And Jewellers Association Ltd. Celebrating 103 Years •1919 - 2022•

Daily Bullion Physical Market Report

Date: 11th August 2022

Daily India Spot Market Rates

Description	Purity	AM	PM
Gold	999	52297	52348
Gold	995	52088	52138
Gold	916	47904	47951
Gold	750	39223	39261
Gold	585	30594	30624
Silver	999	58291	58444

*Rate as exclusive of GST as of 10th August 2022 Gold is Rs/10 Gm & Silver in Rs/Kg

Gold and Silver 999 Watch

Date	GOLD*	SILVER*
10th August 2022	52348	58444
08th August 2022	52184	58106
05th August 2022	52019	57362
04th August 2022	52039	58057

The above rates are IBJA PM Rates; *Rates are exclusive of GST

COMEX Futures Watch

Description	Contract	Close	Change	%Chg
Gold($/oz)	DEC 22	1813.70	1.40	0.08
Silver($/oz)	SEPT 22	20.74	0.26	1.27

ETF Holdings as on Previous Close

ETFs	Long	Short
SPDR Gold	997.42	-1.74
iShares Silver	15,090.15	-31.54

Gold and Silver Fix

Description	LTP
Gold London AM Fix($/oz)	1793.50
Gold London PM Fix($/oz)	1795.05
Silver London Fix($/oz)	20.44

Bullion Futures DGCX

Description	Contract	LTP
Gold($/oz)	August 22	1795.8
Gold Quanto	August 22	52261
Silver($/oz)	SEPT. 22	20.54

Gold Ratio

Description	LTP
Gold Silver Ratio	87.44
Gold Crude Ratio	19.73

Weekly CFTC Positions

	Long	Short	Net
Gold($/oz)	109004	81105	27899
Silver	33356	41752	-8396

MCX Indices

Index	Close	Net Change	% Chg
MCX iCOMDEX Bullion	14527.11	-40.48	-0.28 %

Macro-Economic Indicators

Time	Country	Event	Forecast	Previous	Impact
11th August 06:00 PM	United States	PPI m/m	0.2 %	1.1 %	HIGH
11th August 06:00 PM	United States	Core PPI m/m	0.4 %	0.4 %	MEDIUM
11th August 06:00 PM	United States	Unemployment Claims	264 K	260 K	MEDIUM

Nirmal Bang Securities - Daily Bullion News and Summary

❖ Gold wavered after US inflation data came in cooler than expected, reducing the urgency of the Federal Reserve to aggressively hike rates to control price pressures. Bullion initially climbed after the consumer price index for July came in lower than forecast, pushing the precious metal to the highest in a month before quickly giving back its gains. The dollar and benchmark 10-year Treasury yields slumped following the report. The print will take some of the heat off of the Fed to raise rates, particularly as data also showed price gains outside of food and energy slowing from a month before. That could reduce concerns tighter financial conditions will push the US into recession, eroding demand for havens like bullion.

❖ The former head of the JPMorgan Chase & Co. precious-metals business and his top gold trader were convicted in Chicago on charges they manipulated markets for years, handing the US government a win in its long crackdown on bogus “spoofing” orders. Michael Nowak and Gregg Smith were found guilty Wednesday by a federal jury after a three-week trial and more than eight days of deliberations. Prosecutors presented evidence that included detailed trading records, chat logs and testimony by former co-workers who “pulled back the curtain” on how Nowak and Smith moved precious-metals prices up and down for profit from 2008 to 2016. A third defendant, Jeffrey Ruffo, who was a salesman on the bank’s precious-metals desk, was acquitted of charges he participated in the conspiracy. The case was the biggest yet in a crackdown by the US Justice Department. Nowak, the managing director in charge of the desk, and Smith, its top trader, were convicted of fraud, spoofing, market manipulation. The government alleged the precious-metals business at JPMorgan was run as a criminal enterprise, though the jury acquitted all three men of a separate racketeering charge.

❖ Kazakhstan’s central bank plans to sell more gold after reducing bullion’s share in its reserves by almost 30 tons this year. Gold in reserves is now down to 372.8 metric tons from 402.4 tons at the beginning of the year, the central bank says by email in response to questions from Bloomberg. During the period, gold’s share in the National Bank’s reserves has been cut to 64% from 68%. Money from gold sales has been invested in “highly liquid” sovereign securities of developed nations and money-market instruments. National Bank to continue decreasing gold reserves while raising liquidity of its portfolio. Further gold sales will depend on market situation. Gold was sold directly or via derivatives.

❖ Exchange-traded funds cut 33,657 troy ounces of gold from their holdings in the last trading session, bringing this year's net purchases to 3.06 million ounces, according to data compiled by Bloomberg. This was the sixth straight day of declines. The sales were equivalent to $60.4 million at yesterday's spot price. Total gold held by ETFs rose 3.1 percent this year to 100.9 million ounces, the lowest level since March 1. Exchange-traded funds cut 33,657 troy ounces of gold from their holdings in the last trading session, bringing this year's net purchases to 3.06 million ounces, according to data compiled by Bloomberg. This was the sixth straight day of declines. The sales were equivalent to $60.4 million at yesterday's spot price. Total gold held by ETFs rose 3.1 percent this year to 100.9 million ounces, the lowest level since March 1. ETFs added 393,302 troy ounces of silver to their holdings in the last trading session, bringing this year's net sales to 95.7 million ounces.

❖ Federal Reserve Bank of Minneapolis President Neel Kashkari, for a long time the US central bank’s biggest dove, is now its biggest hawk. Kashkari said that he wants to raise the central bank’s benchmark interest rate to 3.9% by the end of this year, and to 4.4% by the end of 2023. That makes him the most hawkish participant on the Fed’s rate-setting Federal Open Market Committee, according to the so-called “dot plot” of interest-rate projections published after the central bank’s June policy meeting. “In June, in the Summary of Economic Projections, where all of the FOMC participants put in their own projections of interest rates for the next few years, I recommended being at 3.9% by the end of this year, and 4.4% by the end of the following year,” Kashkari said at an Aspen Institute event Wednesday. “I haven’t seen anything that changes that.” It’s a complete 180-degree turnaround for Kashkari, who prior to the pandemic was the Fed’s most outspoken dovish official. He took the helm at the Minneapolis Fed in 2016, and dissented against all of the FOMC’s rate increases in 2017, the first year in which he voted on the decisions. Now, he and his colleagues are acting with increasing urgency to quell an inflation outbreak that they didn’t see coming.

❖ Short-term Treasury yields dropped Wednesday after cooler-than-expected inflation data prompted traders to pare bets on the amount of tightening that the Federal Reserve is likely to do. The bigger-than-expected deceleration in the growth rate of consumer prices re-established a half-point rate increase as the likeliest outcome of next month’s Fed meeting, as opposed to another three-quarter point hike. Even so, Treasury yields pared their initial declines as two central bank officials said rates hikes are likely to continue into next year. The US two-year yield was lower by about five basis points in late trading after falling nearly 20 basis points immediately after the inflation data. Swaps referencing the Fed’s September meeting priced in 60 basis points of tightening, down from 67 basis points, which had implied a three-quarter point hike was likelier. That market also repriced the likely peak in the Fed’s policy rate lower by about five basis points to around 3.62% in the first part of 2023. The US consumer price index increased 8.5% from a year earlier, cooling from the 9.1% June rate, which was the highest in four decades, Labor Department data showed Wednesday. A smaller deceleration was economists’ median forecast, and the price level was unexpectedly steady overall from the prior month as a drop in gasoline offset increases in food and shelter.

❖ **Fundamental Outlook**: Gold and silver prices are trading lower on international bourses. We expect precious metals prices on Indian bourses to trade range-bound to lower for the day. We recommend sell on rise in gold and silver in intra-day trading sessions as investors digested the impact of cooler inflation in the US on the Federal Reserve’s monetary tightening path.

Key Market Levels for the Day

Time	Month	S3	S2	S1	R1	R2	R3
Gold – COMEX	December	1765	1785	1810	1825	1845	1870
Silver – COMEX	September	19.20	19.50	19.75	20.00	20.25	20.55
Gold – MCX	October	51550	51800	52000	52250	52400	52600
Silver – MCX	September	57200	57800	58400	58800	59350	59800

Nirmal Bang Securities - Daily Currency Market Update

Dollar Index

LTP/Close	Change	% Change
105.20	-1.18	-1.11

Bond Yield

10 YR Bonds	LTP	Change
United States	2.7809	0.0036
Europe	0.8860	-0.0310
Japan	0.1900	0.0210
India	7.3090	-0.0370

Emerging Market Currency

Currency	LTP	Change
Brazil Real	5.0943	-0.0306
South Korea Won	1310.45	-8.0000
Russia Rubble	61.4458	-0.7104
Chinese Yuan	6.7238	0.0189
Vietnam Dong	23383	1
Mexican Peso	20.0289	0.0174

NSE Currency Market Watch

Currency	LTP	Change
NDF	79.33	0.09
USDINR	79.6325	-0.1075
JPYINR	59.0675	-0.2075
GBPINR	96.38	-0.165
EURINR	81.6225	0.2275
USDJPY	134.83	0.28
GBPUSD	1.2103	-0.0002
EURUSD	1.0254	0.0047

Market Summary and News

❖ The Indian rupee rebounds after dollar bids by oil-importing companies weighed on the currency on Monday. Bond yields slip ahead of the sale of 210 billion rupees ($2.6 billion) of T-bills. USD/INR fell 0.2% to 79.5300 on Wednesday. The rupee had weakened on Monday on persistent oil-related dollar bids. Importers and oil companies are buying USD/INR on dips because oil requirement is there daily, which is limiting the scale of any appreciation, while the central bank would also not want to see the rupee strengthen too much considering a wide current account deficit. State-run banks bought 40.3 billion rupees of sovereign bonds on Aug. 5: CCIL data. Foreign banks bought 25.9 billion rupees of bonds.

❖ The Federal Reserve will allow $30 billion of Treasuries to run off its portfolio this month, leaving reinvestments of $81.4 billion as a non-competitive add-on bidder at Augusts' auctions. In this note, we calculate how much the Fed add-on will be for each coupon auction in August. Treasury runoff will continue at $30 billion in August, then increase to $60 billion in September. On refunding months, maturities will exceed the $60 billion cap, leading to reinvestments at auction. For non-refunding months, the Fed will use Treasury bills to reach the $60 billion cap. The allocation to mid-month/end-of-month maturities will be based on the relative share maturing. Furthermore, allocation to new issues will depend on each auction's relative proportion of Treasury issuance. For this month's auctions, we calculate the Fed will reinvest almost $26.6 billion at the midmonth three-year auction, and due to settlement dates the two-year floating rate note won't see any reinvestment. The Fed will reinvest over $131 billion of proceeds from maturing Treasury securities through the end of the year, with $96 billion occurring during midmonth settlements. The Treasury runoff cap won't be hit in September, October and December, which means over $36.5 billion of Treasury bills won't be reinvested. Federal Reserve runoff will continue at a pace of $47.5 billion a month through August. After that, Treasury runoff will be fixed at $60 billion a month, while agency mortgage-backed securities (MBS) reduction will depend on principal pay downs. Our estimate is for $21 billion of MBS to run off passively in an average month through 2024. Treasury bills won't start rolling off the Fed's portfolio until September. We project $36.5 billion of bills to mature without replacement in 2022 and $73 billion in 2023.

❖ The pound is likely to fall to the lowest level since the pandemic crash as the Federal Reserve's rate-hike path continues to outpace that of the Bank of England's. The BOE's recent recession warning combined with growing expectations of another 75 basis-point interest-rate hike in the US, may put sterling at risk of falling below $1.20 in the very near term. The British currency rallied in late July on anticipation the Fed would pivot away from aggressive tightening. But the rebound was cut short this month as US officials sounded more hawkish and the BOE delivered a grim economic outlook that overshadowed a 50 basis-point rate hike. Sterling has fallen 10% year-to-date against the dollar, ranking in the bottom three among G-10 peers as the Federal Reserve's rate-hike path has outpaced that of the BOE. Recession fears are now receding in the US, and the debate has started on whether or not there will be a second consecutive 75bp Fed hike. Swap contracts referencing Fed meeting dates have repriced to levels indicating that another 75-basis-point increase in September is more likely after Friday's stronger-than-expected jobs data. If the bearish outlook on the pound persists, anticipates cable falling to between $1.14 and $1.20 in a month's time.

Key Market Levels for the Day

	S3	S2	S1	R1	R2	R3
USDINR Spot	78.8500	79.1000	79.3000	79.4500	79.5800	79.7000

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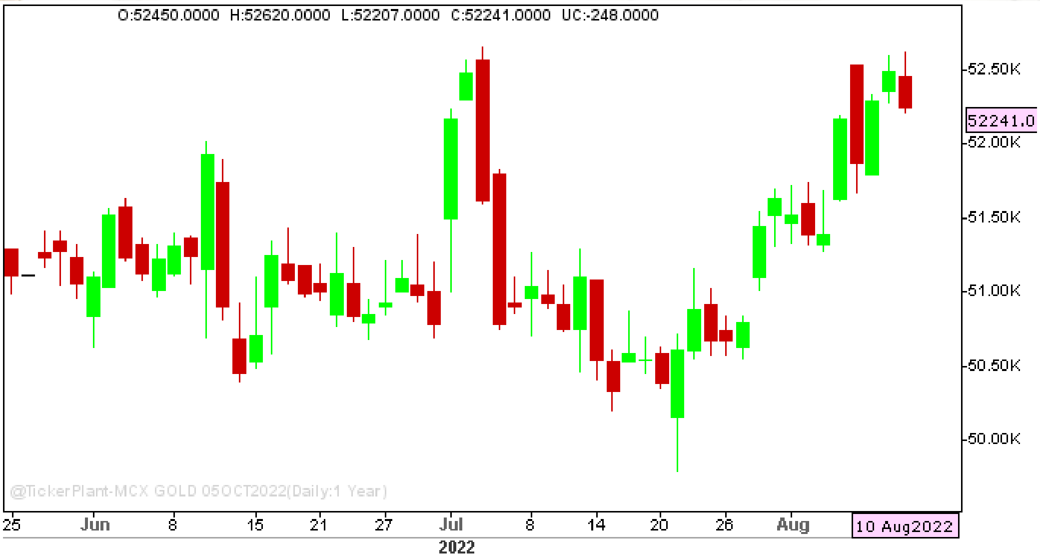
India Bullion And Jewellers Association Ltd.
Celebrating 103 Years
1919 - 2022

Nirmal Bang Securities - Bullion Technical Market Update

Gold Market Update



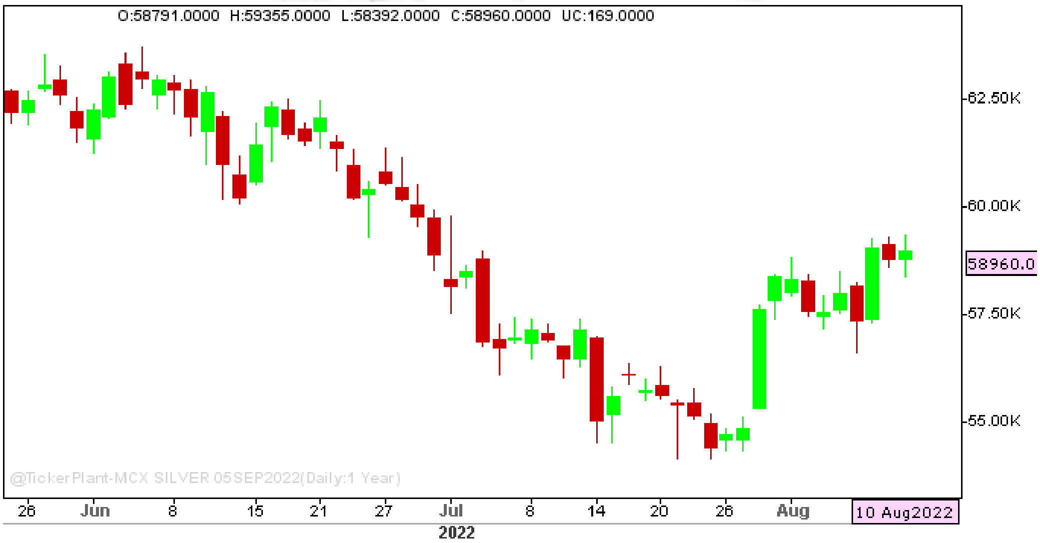
Market View	
Open	52450
High	52620
Low	52207
Close	52241
Value Change	-248
% Change	-0.47
Spread Near-Next	60
Volume (Lots)	5865
Open Interest	15953
Change in OI (%)	-3.27%

Gold - Outlook for the Day

Gold prices are likely to halt around $ 1800-1810; sell on rise is recommended for the day. We believe some profit takings will be witnessed in the yellow metals.

SELL GOLD OCT (MCX) AT 52300 SL 52550 TARGET 51900/51800

Silver Market Update



Market View	
Open	58791
High	59355
Low	58392
Close	58960
Value Change	169
% Change	0.29
Spread Near-Next	1040
Volume (Lots)	13360
Open Interest	14549
Change in OI (%)	-2.00%

Silver - Outlook for the Day

Silver looks positive but sharp tick will be expected only above $ 20.65 for the target of $ 21-21.20.

SELL SILVER SEPT (MCX) AT 58800 SL 59400 TARGET 58000/57700

India Bullion and Jewellers Associations Ltd. Since 1919

Nirmal Bang Securities - Currency Technical Market Update

USDINR Market Update

Market View	
Open	79.765
High	79.765
Low	79.5275
Close	79.6325
Value Change	-0.1075
% Change	-0.13
Spread Near-Next	-0.9359
Volume (Lots)	2233391
Open Interest	3280398
Change in OI (%)	-0.77%

USDINR - Outlook for the Day

USDINR witnessed a weak open at 79.60 with testing lows of 79.52 in the opening tick itself. The pair thereafter remained in a narrow consolidated range within the levels of 79.68 – 79.50. USDINR has formed a red candle with sideways closure and maintains a resistance at 78.85. The pair has given closure above short and long term SMA's while holding resistance at medium term SMA's on the daily chart. USDINR, if trades below 79.65, pair will head towards 79.50 – 79.35; whereas, momentum above 79.72 will lead the pair to test the highs of 80. The daily strength indicator RSI and momentum oscillator Stochastic both are in positive zone with crossing their respective signal line thus indicating positive bias.

Key Market Levels for the Day

	S3	S2	S1	R1	R2	R3
USDINR August	79.1500	79.3500	79.5000	79.7200	79.8600	79.9800

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